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# A BILL FOR AN ACT

RELATING TO THE BUDGET.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. The purpose of this Act is to address the  
2 budget.

3       More specifically, this Act requires summaries of the  
4 following information collected by the director of finance from  
5 executive agencies to be included in the multi-year program and  
6 financial plan and the executive budget documents submitted in  
7 odd-numbered years and the supplemental budget in even-numbered  
8 years:

9       (1) The estimated operational costs of proposed capital  
10 improvement projects. Act 135, Session Laws of Hawaii  
11 2014, requires the director of finance to collect the  
12 information; and

13       (2) The deferred maintenance costs for state-owned  
14 buildings, facilities, and other improvements.

15       The legislature intends that the judiciary submit to the  
16 legislature similar estimated operational cost information on  
17 its proposed capital improvement projects by operation of  
18 section 601-2, Hawaii Revised Statutes.



1       SECTION 2. Section 37-68, Hawaii Revised Statutes, is  
2 amended to read as follows:

3       "**§37-68 Responsibilities of agencies.** Under rules as may  
4 be prescribed by the director of finance with the approval of  
5 the governor:

6       (1) Each agency assigned the task of developing programs  
7 and preparing program and financial plans, budgetary  
8 requests, and program performance reports shall  
9 develop the programs and prepare the plans, requests,  
10 and reports and submit the same to the director of  
11 finance at times, on forms, and in a manner as the  
12 director may prescribe. For informational purposes,  
13 the University of Hawaii shall submit its program and  
14 financial plans, budgetary requests, and program  
15 performance reports to the legislature at the same  
16 time the university submits them to the director of  
17 finance. Where new programs are being proposed, each  
18 agency shall demonstrate that the program:

19       (A) Is an appropriate function of state government;  
20 and, as applicable



1 (B) Can be implemented by the public sector as cost-  
2 effectively as the private sector while meeting  
3 the same plans, goals, objectives, standards,  
4 measures of effectiveness, wage, salary,  
5 conditions of employment, and employee benefit  
6 programs of the State;

7 (2) Each agency administering state programs and each  
8 agency responsible for the formulation of programs and  
9 the preparation of program and financial plans,  
10 budgetary requests, and program performance reports,  
11 shall furnish the department of budget and finance all  
12 documents and information as the department may from  
13 time to time require. Each agency shall make  
14 available all documents and information, as may be  
15 requested, to the legislature and any member or  
16 committee of either house of the legislature;

17 (3) The director of finance or any employee of the  
18 department of budget and finance, when duly  
19 authorized, for the purpose of securing information,  
20 shall have access to and may examine any books,  
21 documents, papers, or records of any agency; [and]



1       (4) Each agency submitting a capital improvement project  
2       proposal shall furnish the department of budget and  
3       finance with an estimate of operational costs for the  
4       proposed capital improvement project and all documents  
5       that support the estimate of operational costs. Each  
6       agency shall make available all documents and related  
7       information, as may be requested, to the legislature  
8       and any member or committee of either house.

9               The director of finance shall provide a summary  
10       of this information in the multi-year program and  
11       financial plan and budget submitted to the legislature  
12       before the regular session of each odd-numbered year  
13       and the supplemental budget submitted to the  
14       legislature before the regular session of each even-  
15       numbered year; and

16       (5) Each agency responsible for operating or maintaining a  
17       state-owned building, facility, or other improvement  
18       shall furnish the department of budget and finance  
19       with an estimate of the deferred maintenance costs for  
20       the building, facility, or other improvement.



1           The director of finance shall provide a summary  
2           of this information in the multi-year program and  
3           financial plan and budget submitted to the legislature  
4           before the regular session of each odd-numbered year  
5           and the supplemental budget submitted to the  
6           legislature before the regular session of each even-  
7           numbered year.

8           For the purposes of this paragraph, "deferred  
9           maintenance costs" means the costs to catch-up on the  
10          repair and maintenance of the state-owned building,  
11          facility, or other improvement that has been delayed  
12          past the ordinarily scheduled repair and maintenance  
13          cycle. The department of budget and finance may  
14          further refine this definition in its instructions to  
15          the agencies furnishing the information."

16          SECTION 3. Statutory material to be repealed is bracketed  
17 and stricken. New statutory material is underscored.

18          SECTION 4. This Act shall take effect upon its approval.



**Report Title:**

Capital Improvement Project Operational Costs; Deferred  
Maintenance Costs

**Description:**

Requires information on the estimated operational costs of proposed capital improvement projects and deferred maintenance costs of state-owned buildings, facilities, and other improvements to be summarized in the multi-year program and financial plan and supplemental budget, as applicable. Intends that the requirement apply to the judiciary. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

